

## Message Text

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ACTION IO-14

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AMCONSUL JERUSALEM  
AMEMBASSY TEL AVIV  
USUN NEW YORK 2717

C O N F I H N E N T I A L AMMAN 4791

E.O. 1169): GDS

TAGS: SREF, PFOR, UNRWA, XF

SUBJ: JORDAN UNRWA COST OF LIVING INCREASE

REF: BEIRUT 9758

1. SUMMARY: ACCORDING JORDAN UNRWA DIRECTOR, RECENT UNRWA COST OF LIVING INCREASE HAS ALLOWED JORDANIAN UNRWA EMPLOYEES "CATCH UP" WITH OTHER UNRWA EMPLOYEES AND CALMED THREAT OF UNRWA STRIKE. HOWEVER GOJ HAS POSTPONED PREVIOUS PLANS TO DISBAND UNRWA UNION BECAUSE OF SENSITIVITY OVER PROVOKING PALESTINIANS IN JORDAN AT THIS DELICATE STAGE. END SUMMARY.

2. UNRWA DIRECTOR JORDAN JOHN TANNER GAVE RUNDOWN ON JORDAN ASPECT OF \$3.6 MILLION AREA-WIDE UNRWA ANNUAL COST OF LIVING INCREASE ANNOUNCED BY UNRWA HIGH COMMISSIONER IN DRAFT ANNUAL REPORT (REFTEL).

2. TANNER SAID \$1.7 MILLION OF TOTAL \$3.6 MILLION IS TENTATIVELY ALLOTTED TO INCREASE COST OF LIVING ALLOWANCES FOR JORDAN 5,000-ODD UNRWA EMPLOYEES. THIS WILL ALLOW JORDANIAN EMPLOYEES TO "CATCH UP" WITH UNRWA EMPLOYEES IN SURROUNDING COUNTRIES.

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BEFORE LAST INCREASE, JORDAN COST OF LIVING ALLOWANCE WAS ONLY

60 PERCENT OF UNRWA COST OF LIVING SCALE WHILE ALL OTHERS WERE OVER 90 PERCENT. FOLLOWING INCREASE, JORDAN IS NOW 90 PERCENT, WHILE LEBANON, FOR INSTANCE, IS 98 PERCENT AND SYRIA OVER 95 PERCENT. TOTAL INCREASE WILL ADD ABOUT 30 PERCENT TO TOTAL JORDANIAN UNRWA TAKE-HOME PAY, ROUGHLY CORRESPONDING TO RECENT RISES IN COST OF LIVING.

3. COST OF LIVING INCREASE CULMINATES SEVERAL MONTHS OF DISPUTES BETWEEN UNRWA AND UNRWA BASED LABOR GROUPS DURING WHICH GT INTERVENTION WAS NECESSARY TO AVERT STRIKES. ACCORDING TO AL DUSTOUR, UNRWA TEACHERS DECIDED AUGUST 12 TO POSTPONE PLANNED SIT-IN IN UNRWA DIRECTOR'S OFFICE UPON ANNOUNCEMENT COST OF LIVING INCREASE. TANNER ACKNOWLEDGED THAT UNRWA COST OF LIVING INCREASE, IN EQUALIZING JORDAN UNRWA TAKE HOME PAY OF OTHER UNRWA EMPLOYEES, CLEARLY OUTSTRIPS COMPARABLE GOJ SALARY SCALES. HOWEVER, TANNER SAID HE HOPES INCREASE WILL ALSO ALLOW UNRWA TO RESIST CONTINUING JORDAN UNRWA EMPLOYEES DEMAND FOR "TECHNICAL ALLOWANCE" COMPARABLE TO THAT RECEIVED BY JORDANIAN GOVERNMENT EMPLOYEES. UNRWA IS TAKING FIRM POSITION THAT SINCE ITS COST OF LIVING ALLOWANCE IS MORE GENEROUS THAN AND NOT COMPARABLE WITH GOJ ALLOWANCE, UNRWA SHOULD NOT ALSO BE REQUIRED TO INSTITUTE TECHNICAL ALLOWANCES.

4. GOJ MIN LABOR DR. AIHNI WAS PLANNING ON USING GOOD FEELING ENGENDERED BY COST OF LIVING INCREASE AS OPPORTUNITY TO DISBAND UNRWA MANUAL WORKERS' UNION WHICH UNRWA CLAIMS, WITH GOJ SUPPORT, HAS NO STANDING IN INTERNATIONAL ORGANIZATIONS. TANNER SAID THAT ACTING PM HAS HOWEVER DELAYED MOVE AGAINST UNRWA UNION ON GROUNDS THAT CURRENT POLITICAL CIRCUMSTANCES COUNSEL AGAINST ANY ACTION THAT COULD STIR UP PALESTINIAN-DOMINATED ORGANIZATIONS.

5. COMMENT: WE EXPECT THAT SIGNIFICANT UNRWA COST OF LIVING INCREASE HAS QUIETED BREAD AND BUTTER DISCONTENT OF UNRWA EMPLOYEES AND THUS PREVENTED A POTENTIALLY DANGEROUS SITUATION FROM DEVELOPING DURING SENSITIVE PERIOD IN GOJ RELATIONS WITH RESIDENT PALESTINIANS AS A RESULT OF MIDEAST NEGOTIATIONS. HOWEVER, UNRWA INCREASE WILL UNDOUBTEDLY RENEW PRESSURES ON GOJ AND PRIVATE SECTOR FOR SIMILAR WAGE INCREASES. IT WILL ALSO CONTRIBUTE TO GIGANTIC UNRWA DEFICIT MENTIONED IN UNRWA DRAFT CONFIDENTIAL

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ANNUAL REPORT. SUDDARTH

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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